

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Debtor.¹

PROMESA

Title III

No. 17 BK 3283-LTS
(Jointly Administered)

**JOINT STATUS REPORT SUBMITTED PURSUANT TO THE COURT’S JUNE 17, 2021
ORDER (ECF. NO. 17068) CONCERNING AMBAC’S URGENT MOTION TO
COMPEL MILLIMAN INC. TO COMPLY WITH SUBPOENA**

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Chambers of the Honorable Judith G. Dein:

Ambac Assurance Corporation (“Ambac”) and Milliman, Inc (“Milliman”, and together with Ambac, the “Parties”) respectfully submits this Status Report pursuant to the Court’s order dated June 2, 2021 (ECF No. 16867).²

PROCEDURAL BACKGROUND

1. On April 20, 2021, Ambac filed its *Urgent Motion To Compel Milliman, Inc. To Comply With Subpoena Issued Pursuant To The Court’s January 13, 2021 Order Authorizing Rule 2004 Discovery* (ECF No. 16487).

2. After the motion was fully briefed, the Court issued an order on June 2, 2021 requiring Ambac to submit a status report by June 8, 2021 and Milliman and the Government Parties to submit a response to Ambac’s status report by June 11, 2021. (ECF No. 16867)

3. On June 8, 2021, Ambac filed its status report (ECF No. 16904, “Ambac’s Status Report”) and on June 9, 2021, Milliman filed its responsive status report. (ECF. NO. 16914.)

4. On June 14, 2021, the Court ordered Milliman to respond to specific requests for discovery contained in Ambac’s Status Report. (ECF No. 16964.) On June 16, 2021, Milliman submitted a response to Ambac’s Status Report. (ECF No. 17050.)

5. On June 17, 2021, the Court issued an order requiring Milliman to make various productions and the parties to meet and confer on certain issues and provide the Court with a joint status report. (ECF No. 17068, “the June 17th Order”). Specifically, as described in more detail therein, the June 17th Order requires Milliman: (a) “to produce the most current version of the 2018 Actuarial Valuation Report in its entirety within fourteen days” of the June 17th Order; (b)

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in *Ambac’s Urgent Motion To Compel Milliman, Inc. To Comply With Subpoena Issued Pursuant To The Court’s January 13, 2021 Order Authorizing Rule 2004 Discovery* (ECF No. 16487).

Milliman to “produce the electronic project files for the 2018 valuation . . . regardless of when the Actuarial Valuation Report is finally produced”; and (c) to “either produce documents sufficient to identify its documents retention policies or . . . produce a witness for a Rule 30(b)(6) deposition on the issues addressed in paragraph 5 of the Bowen Declaration.”

6. The June 17th Order also requires the Parties to meet and confer and provide a joint status report to the Court within seven days concerning: (a) “redaction of personally identifiable information in the 2016-2017 electronic project files, and a schedule for production of the files”; (b) “redaction of personally identifiable information in the electronic project files for the 2018 valuation, and a schedule for production;” (c) “whether issues remain outstanding with respect to the documents requested in paragraph 18 of the Ambac Status Report;”³ and (d) “the status of negotiations over reasonable search parameters, and the expected date of production of responsive documents” discussed on paragraph 19 of the Ambac Status Report.”⁴

AMBAC AND MILLIMAN’S JOINT PROPOSAL FOR REDACTIONS

7. On June 21, 2021, counsel for Ambac and Milliman met and conferred pursuant to the June 17th Order. Milliman advised Ambac that there are over 200,000 electronic project files for the 2016-2018 valuations (the “Project Files”) containing the social security numbers, dates of birth, and other personally identifiable information of members of the retirement systems, that much of that information cannot be redacted due to the type of files generated from actuarial software, and that attempting to redact that information prior to production would take significant time and other resources, while leaving substantial room for human error.

³ Paragraph 18 of the Ambac Status Report concerns Ambac’s request for “any guidelines, policies, procedures, practices, rules, staff instructions, or standards applicable to the Pension System or used by the Pension Systems.”

⁴ Paragraph 19 of the Ambac Status Report concerns internal Milliman correspondence.

8. In response, Ambac informed Milliman that such information has already been produced to Ambac from other parties pursuant to a protective order (the “Protective Order,” attached hereto as **Exhibit A**). Ambac also stated that the personally identifiable information in Project Files may be necessary for certain analyses it intends to conduct.

9. The Parties jointly propose that the Court enter an order requiring that Milliman produce the Project Files to Ambac within two (2) weeks of the order, without redactions, and that all Project Files be treated as Confidential pursuant to the Protective Order, and may only be filed with the Court under seal. (Ex. A ¶ 18). Milliman shall bear no responsibility for maintaining the confidentiality of the Project Files (including any personally identifiable information) produced to Ambac.

10. As required by the Protective Order, the Project Files produced by Milliman to Ambac are to be disclosed and used only for purposes of these proceedings and must be returned or destroyed at the conclusion of these proceedings (Ex. A ¶¶ 7, 22).

DEPOSITION

11. On Monday, June 21, 2021, Milliman advised Ambac that it would produce a witness for a 30(b)(6) deposition “concerning the issues addressed in paragraph 5 of the Bowen Declaration” and offered to have the deposition on Thursday June 24, 2021, Friday June 25, 2021, or Monday June 27, 2021, indicating that undersigned counsel for Milliman had other depositions on June 28-29, 2021.

12. On June 23, 2021, Milliman produced documents (including experiences studies) which Milliman had just located the day before as described in the supplemental declaration of Glenn Bowen attached hereto as **Exhibit B**.

13. To accommodate schedules, Ambac and Milliman respectfully request that the

Court continue the deadline for the completion of the deposition until Thursday, July 8, 2021.

14. This deposition is without prejudice to Ambac's right to depose a Milliman witness under Rule 30(b)(6) concerning Milliman's work on the pension valuations.

SEARCH TERM NEGOTIATIONS

15. On June 22, 2021, Ambac proposed e-mail search terms to Milliman and requested a hit count.

16. On June 23, 2021, Milliman advised Ambac that the individual who would conduct the search was out of the office this week, but that Milliman would run the proposed search terms upon returning to the office next week.

17. The Parties respectfully request that the Court continue the deadline for an update on the status of negotiations until Thursday, July 1, 2021.

ISSUES LEFT FOR THE COURT TO RESOLVE

18. At this time, the Parties cannot determine if they will be able to reach an agreement on all of the issues in the June 17th Order, including search terms. In the event the Parties cannot come to an agreement on any issue, they will advise the Court by July 1, 2021.

Dated: June 24, 2021
San Juan, Puerto Rico

FERRAIUOLI LLC

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Attorneys for Milliman, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this same date a true and exact copy of this notice was filed with the Clerk of Court using the CM/ECF system, which will notify a copy to counsel of record.

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